

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON AGRICULTURE, LIVESTOCK AND IRRIGATION

Call to Order: By **CHAIRMAN RIC HOLDEN**, on February 2, 2001 at 3:00 P.M., in Room 422, Capitol.

ROLL CALL

Members Present:

Sen. Ric Holden, Chairman (R)
Sen. Pete Ekegren, Vice Chairman (R)
Sen. Mike Halligan (D)
Sen. Greg Jergeson (D)
Sen. Walter McNutt (R)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Corey Stapleton (R)
Sen. Jon Tester (D)
Sen. Tom Zook (R)

Members Excused: None.

Members Absent: Sen. Gerald Pease (D)

Staff Present: Laramie Cumley, Committee Secretary
Doug Sternberg, Legislative Services

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 81, SB 261
Executive Action: SB 81, SB 160, SB 197

HEARING ON SB 81

Sponsor: SEN. DON HARGROVE, SD 16, BELGRADE

Proponents:

Bud Clinch, Department of Natural Resources and
Conservation
Ralph Peck, Montana Department of Agriculture

**Thorn Liechty, Montana Agricultural Heritage
Commission
John Wilson, Representing himself
Kristin Sanderson, Montana Audubon Association**

Opponents: none

Opening Statement by Sponsor:

SEN. DON HARGROVE, SD 16, BELGRADE explained the two year old Montana Agricultural Heritage Program. This program is a proposal to allow money to be spent on easements for farmers and ranchers on a voluntary basis to preserve the family farm and not have to do more of the commercial options. This program has been very successful although funding is limited. Land management issues in the bill need to be cleaned up by changing the administration from the Department of Agriculture to the Department of Natural Resources and Conservation because they are the ones who deal with all of the other state land management issues.

Proponents' Testimony:

Bud Clinch, Director, Montana Department of Natural Resources and Conservation explained the understanding between the two departments to house this issue at DNRC and this bill would be to transfer funds from the Department of Agriculture to the Department of Natural Resources and Conservation.

Ralph Peck, Director, Montana Department of Agriculture presented written testimony. **EXHIBIT**(ags27a01)

Thorn Liechty, Montana Agricultural Heritage Commission stood in support of the bill.

John Wilson, Representing himself stated that he worked with a family applying for this program and he commented on the smoothness of the program.

Kristin Sanderson, Montana Audubon Association believes that this program can be managed effectively through DNRC.

Opponents' Testimony: none

Questions from Committee Members and Responses: none

Closing by Sponsor: SEN. HARGROVE respectfully closed SB 81.

EXECUTIVE ACTION ON SB 81

Motion/Vote: SEN. HALLIGAN moved that SB 81 DO PASS. Motion carried unanimously.

EXECUTIVE ACTION ON SB 160

SEN. RIC HOLDEN noted that there were complications regarding SB 160 and that SEN. LORENTS GROSFIELD asked for his bill to be tabled.

Motion/Vote: SEN. NELSON moved that SB 160 BE TABLED. Motion carried unanimously.

EXECUTIVE ACTION ON SB 197

Motion: SEN. STAPLETON moved that SB 197 BE AMENDED. Amendment number SB019701.ads EXHIBIT (ags27a02)

Doug Sternberg explained the amendments prepared for SEN. STAPLETON.

Motion: SEN. STAPLETON moved that AMENDMENT SB019701.ADS BE ADOPTED.

Discussion:

SEN. STAPLETON discussed that this was supported and that it would permit families to harvest plants without a permit but they would still need to have permission from the landowner.

SEN. HALLIGAN clarified a part of the amendment.

Doug Sternberg explained that it was written somewhat awkwardly because of editing purposes.

SEN. TOM ZOOK asked Mr. Sternberg to read the sentence aloud regarding commercial purposes.

Doug Sternberg read the proposed amendment aloud and pointed out that the personal consumption definition remained in the bill.

Vote: Motion carried unanimously.

SEN. JON TESTER explained his proposed amendment **SB019702.ads** for an immediate effective date on SB 197. The intent of the immediate effective date is so wildcrafters can harvest mushrooms by the first of April because of fires from last summer. He said there will be a good mushroom harvest this spring.

EXHIBIT (ags27a03)

Doug Sternberg noted that the amendment also includes the renumbering of subsections.

Motion/Vote: **SEN. TESTER** moved that **AMENDMENT SB019702 BE ADOPTED. Motion carried unanimously.**

Motion: **SEN. TESTER** moved that **SB 197 DO PASS AS AMENDED.**

Discussion:

SEN. HALLIGAN, commented on the criminal penalties effective date and suggested the effective date being changed to when the new Montana Codes are published and possibly check with the Chief Legal Council regarding this issue.

SEN. TESTER agreed to address this concern.

SEN. RIC HOLDEN asked how children would be affected by this if they go pick huckleberries and sell them in their small communities.

SEN. TESTER stated that permits would be required although these are not the people who they are after. This bill was intended for people who are harvesting large quantities of material and selling it for a profit. This would also teach children to ask permission and to learn the permitting process.

SEN. HOLDEN asked where someone would go for these permits and if a fee would be required.

SEN. TESTER said that they would go to the landowners for these permits and was uncertain of fees.

SEN. HALLIGAN questioned cultural heritage and suggested that the requirements and rules be published somewhere.

SEN. HOLDEN asked how the rules and regulations were going to be introduced to the public and how people were going to know these things.

SEN. TESTER this would be left up to the agencies to advertize.

SEN. ZOOK replied to the discussion by suggesting a first time warning.

Doug Sternberg explained the penalties named in the bill as being a criminal misdemeanor for a first offense, a fine or six months in jail.

SEN. HOLDEN expressed concern with children possibly getting a criminal record for selling berries in a class C community for not having a permit.

SEN. TESTER stated that an unusual situation is going to arise this spring as a result of the fires and the effective date can be left at October, 1 and children need to learn to ask permission.

SEN. HALLIGAN stated law enforcement almost never charges someone on the first offense. They receive a warning and it is made clear that the rules need to be followed. Although if repeated, groups are not following these rules, that is when the county attorneys become involved.

Vote: Motion that **SB 197 DO PASS AS AMENDED** carried unanimously.

HEARING ON SB 261

Sponsor: **SEN. CHRIS CHRISTIAENS, SD 23, GREAT FALLS**

Proponents:

Star Streets, Representing herself
Daniel Bergey, Montana State University
Greg Strandberg, Representing himself
Bob Stephens, Montana Grain Growers Association
Diana Adamson, Montana Farmers Union

Opponents: none

Opening Statement by Sponsor:

SEN. CHRIS CHRISTIAENS, SD 23, GREAT FALLS stated that the production of industrial hemp as an alternative agricultural crop may improve economic development in Montana, and businesses which presently sell these products would not have to import them from out-of-state. This bill would require the Federal Government to either change or add a waiver in federal law to allow Montanans to grow industrial hemp. **SEN. CHRISTIAENS** explained details of this bill which state that a cannabis sativa plant could not

contain more than a 0.3 tetrahydrocannabinol (THC) level or it would be considered marijuana. This would be a fiber crop and it would also produce an oil very high in vitamin B. This oil is also more nutritious than canola. Presently if a farmer were to be growing industrial hemp, it would be worth between \$100 to \$500 per acre net income.

Proponents' Testimony:

Star Streets presented products made out of hemp such as clothing and paper. She stated that the only place that she could get these products in Nepal. When the items are returned to her store, the price is doubled. She also added that hemp products are unique because of their durability.

Daniel Bergey, Montana State University, presented written testimony regarding the scientific aspects of industrial hemp. **EXHIBIT (ags27a04)**

Greg Strandberg, presented written testimony regarding history and alternative uses of industrial hemp. **EXHIBIT (ags27a05)**

Bob Stephens, presented an article from "Successful Farming, December 2000" **EXHIBIT (ags27a06)**

Diana Adamson, supported the bill because it may help Montana to be more financially sound.

Opponents' Testimony: none

Questions from Committee Members and Responses:

SEN. LINDA NELSON asked if this was filed as a request, would it be as simple as it seemed to legalize industrial hemp. **SEN. CHRIS CHRISTIAENS** stated that this bill is to request a waiver from the federal government although, an amendment could be presented to go forward without the waiver.

SEN. NELSON asked about the moisture required from this crop. **SEN. CHRISTIAENS** replied that growing conditions for industrial hemp are very similar to corn.

SEN. RIC HOLDEN asked if this crop was to be grown on dry land or irrigated land. **Daniel Bergey** stated that he read that this crop is very drought tolerant.

SEN. NELSON asked how long the growing season was for industrial hemp and where would a person get seed. **Mr. Bergey** replied the growing season for industrial hemp is about three months and 95%

of the seed comes from Canada. Various varieties can be cross bred to lower THC levels and when harvested by combine, the seed is harvested first and the stems or fiber second.

SEN. HOLDEN asked for clarification on harvesting procedures. **Mr. Bergey** said that the pictures that he saw gave him that description.

SEN. COREY STAPLETON asked if an extract could be taken from industrial hemp plants that had a higher level of THC. **Mr. Bergey** stated that industrial hemp can be stressed and the THC level will go up some but, the higher level would never reach that of marijuana.

SEN. STAPLETON asked if a person could chemically make industrial hemp THC high enough to get "high". **Mr. Bergey** stated that he did not know the answer but if someone was a good enough chemist and had a full lab anything may be possible although an incredible amount of industrial hemp would be needed.

SEN. TESTER asked if the investment be lost for a weather-stressed crop. **SEN. CHRISTIAENS** answered no.

SEN. JERGESON clarified that the THC level in marijuana is 33 times higher than industrial hemp.

SEN. MCNUTT questioned if other states that have passed this law had federal approval. **SEN. CHRISTIAENS** stated that he was unsure what other states had done with this issue.

SEN. HOLDEN questioned the procedure that the Department of Agriculture would need to follow to obtain a federal waiver. **Ralph Peck, Montana Department of Agriculture** stated that he was uncertain of the waiver process because the DEA will not allow industrial hemp to be grown in the US presently, although if this crop were to be approved there would be guidelines to follow.

SEN. HALLIGAN asked about the effective date and approval for this waiver.

SEN. HOLDEN asked if industrial hemp could become a noxious weed. **Mr. Bergey** reassured **SEN. HOLDEN** that this would not become a noxious weed and in fact it can act as a weed suppressor.

SEN. HOLDEN questioned the market for this product, and asked where it would be sold. **SEN. TESTER** replied "if you grow it they will come." the market will not be a problem.

SEN. HOLDEN asked what **Mr. Strandberg** what his interest was in this product. **Greg Strandberg** noted that he lived and worked for the Forest Service in Helena. He said that in 1929, a car was made out of hemp and powered with hemp. He stated that this is a product with the potential to help save the forest as well as wildlife by offering an alternative which can be used for the same things that trees are used for now.

Closing by Sponsor:

SEN. CHRIS CHRISTIAENS closed SB 261 by stating that this crop has a huge market potential as well as being a weed control crop. The products made from this are good quality and have a good retail value. This is a wonderful export opportunity which Montana could profit from and the wide gamut of products that can be made from industrial hemp is incredible. Industrial hemp is also easy to grow and harvest. He presented a photo sheet of a field of Ontario hemp. **EXHIBIT (ags27a07)**

ADJOURNMENT

Adjournment: 4:30 P.M.

SEN. RIC HOLDEN, Chairman

LARAMIE CUMLEY, Secretary

RH/LC

EXHIBIT (ags27aad)